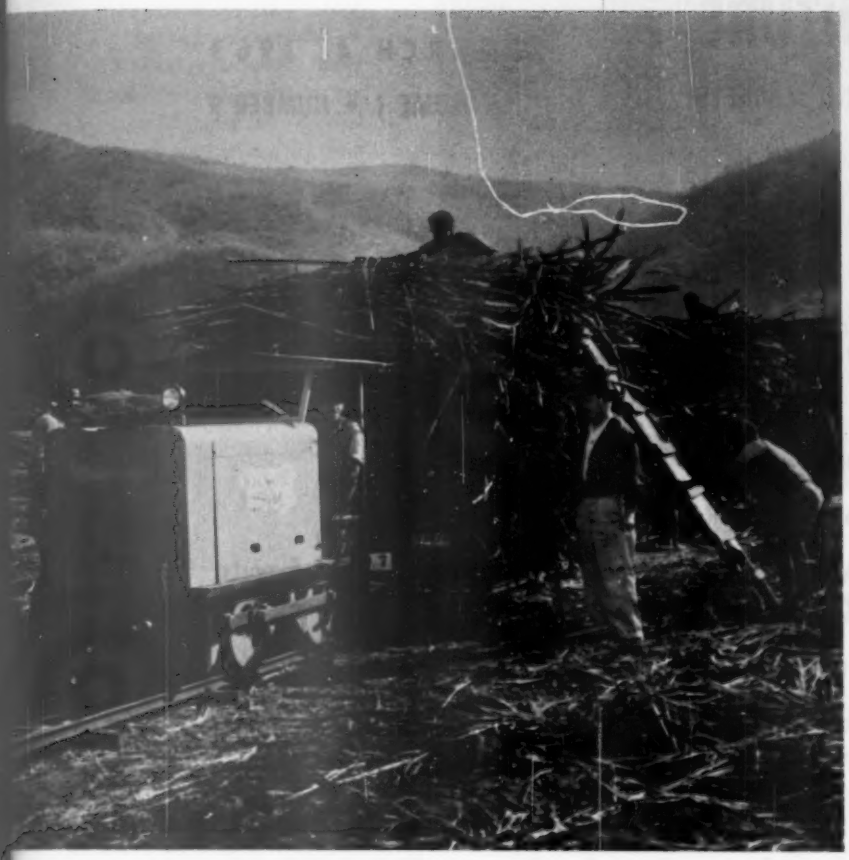
MARCH 4, 1963



Argentina, New Tea Trader

South Africa's Sugar Business

Our Record Canned Fruit Sales

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
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FOREIGN AGRICULTURE

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MARCH 4, 1963

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Loading cane, South Africa

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DEPOSITED BY THE
UNITED STATES OF AMERICA

Tractor draws fully-loaded trailer from canefields on a Natal sugar farm. Many South African farms today use self-loading two-wheeled trailers in moving their cane from field to sugarmill.

By WILLIAM J. EDENS
U.S. Agricultural Attaché
Pretoria, South Africa

South Africa's Booming Sugar Business

South Africa looks toward even bigger sugar exports than the record ones it had last year after the suspension of international quotas.

Within the last decade, South Africa has moved vigorously into the world sugar export market. From an average of only 89,000 short tons in 1950-54, its exports jumped to 288,000 by 1960, reached 333,000 in 1961, and in 1962 skyrocketed to 552,000. For 1963, they are expected to climb still higher.

This acceleration of overseas trade has strengthened South Africa in the determination to establish itself as a recognized sugar exporter. Its sugar industry was perturbed at the country's withdrawal from the Commonwealth, for the United Kingdom was the major South African sugar outlet—a few years back, the only one. In today's export market, South Africa has an informal preferential quota of 150,000 long tons in the United Kingdom, and in the redistribution of quotas under the U.S. Sugar Act it obtained a U.S. quota of 20,000 short tons. In 1962, about 125,000 tons of its exports went to the United States; and, because of the suspension of international quotas by the International Sugar Council in January of that year, it was able to raise its shipments to other markets also. The result was an alltime record.

How the industry grew

Sugarcane production and the milling of sugar in South Africa have an interesting history, and have been particularly important in the economy of Natal Province, which borders on the Indian Ocean. Sugarcane was first planted in 1847. Extracted sugar was exhibited in Durban in 1852, just 57 years after Etienne de Boré succeeded in producing granulated sugar in New Orleans.

By the turn of the present century, South Africa's annual sugar production was about 30,000 tons, and it has increased steadily except during the last war years, when it fluctuated between 500,000 and 600,000 tons. Production in 1961-62 was more than a million tons, but it had spilled over this mark for the first time 3 years earlier. Tentative estimates for 1962-63 point to an even larger output—about 1.3 million tons; and some producers feel there is a good chance that production may even reach a figure twice this size in coming years.

In the early days, however, the industry developed very slowly. Sugarcane was cultivated and sugar made and marketed under extremely difficult conditions. When Natal had only a handful of European settlers, the cane was grown in clearings made in the subtropical coastal bush. Each grower was virtually his own miller and manufacturer.

Early competition with Mauritius, the West Indies, and the newly developing European beet sugar industry soon curtailed exports. Meanwhile, labor presented a problem; the Zulu (Africans) were unfamiliar with this crop and would not work in the fields or factories. Thus it became necessary to im-

port labor from India until the Zulu became accustomed to the new industry. For many years now, labor problems have been small; labor is recruited on a fixed contract for a definite period and then released. In contrast, permanent labor is not under contract and is free to come and go.

Today's sugar industry

In 1961-62, South Africa had 621,248 acres under sugarcane, with 237,981 harvested for milling. Cane yields per acre averaged 39.4 tons, producing 8.5 tons of sugar. The six major varieties of cane that are grown in the country accounted for 97 percent of total production, and about 12 percent of all cane was produced under irrigation.

In early 1961, sugarcane was being produced on 6,409 farms; 1,424 of the growers were European, 1,585 Indian, and 3,400 African. Indian and African growers, in the main, have small plots, though there are exceptions. The size of European growers' farms varies from 100 acres to 20,000 (on the large estates), but averages about 400; these growers account for 91 percent of total production, Indians for 6.6 percent, and Africans for 2.2 percent.

Of the large estates, 18 own and operate sugarmills strategically located throughout the cane-producing area. There is also a central refinery in Durban with a capacity of 1,200 tons a day. Between 51 and 55 percent of the sugar produced each season is refined. In 1961-62, sugar production amounted to 1,098,781 tons, not including an additional 75,300 tons produced in Swaziland.

South Africa's sugar consumption is fairly high. Total direct domestic consumption in 1961-62 was 591,725 tons, or 66.19 pounds per capita. However, the average per capita consumption for the past 5 years with the populations of South-West Africa and the British Protectorates included was approximately 72 pounds. In urban areas, consumption runs even higher. Efforts are now being made to encourage the use of sugar among rural Africans, who are considered one of the best potential markets, in view of the high European and urban African consumption which averages 92 pounds per head annually.

Sugar is big business

South Africa's sugar industry—including farms, estates, and mills—has a total of $350 million invested in sugar. Since 1943, the various components of the industry have operated under an industrial agreement which is unique among sugar-producing countries of the world. This agreement and the Sugar Act (passed in the 1930's) have been instrumental in bringing together into one organization—the South African Sugar Association—all the cane growers, sugar millers, and sugar refiners. This has united the whole industry, enabling it to tackle major problems cooperatively. Under the Sugar Act, provisions had previously been made for control of prices, the regulation and restriction of sugarcane and sugar production, and the regulation of sugar marketing, both domestic and for export.

The South African sugar industry conducts its own research. It supports an experiment station and a sugar milling research institute (with government aid), provides a substantial budget for research in the mechanization of field operations; maintains a pregraduate sugar scholarship at the University of Natal and a course in sugar technology at the Technical College; and keeps in touch with U.S. sugar research by contributing to the Sugar Foundation in New York.

The present expansive outlook for sugar exports has prompted the industry to proceed with construction of a bulk terminal for storing and handling raw sugar. The terminal, which is to cost about $4.2 million and have a capacity of 200,000 tons, will bring about a reduction in sugar-handling costs and will expedite shipments.

Highly competitive though the international sugar trade is, South Africa and its sugar industry are determined to continue promoting sugar exports, with the threefold objective of maintaining present production levels for cane and sugar, ensuring full employment in the industry, and earning foreign exchange. The outlook appears to be for considerable success. It seems safe to assume that production, domestic consumption, and exports of South African sugar will all increase in the years immediately ahead.

Panama's Land Reform Law Goes Into Effect

Last fall, at a special session of the Panamanian Legislative Assembly called by President Chiari, a new agrarian reform law was enacted, creating an Agrarian Code which will become effective March 1.

(Under the Alliance for Progress, the Latin American countries agreed to formulate national development programs, in which agrarian reform would be one of the basic objectives.)

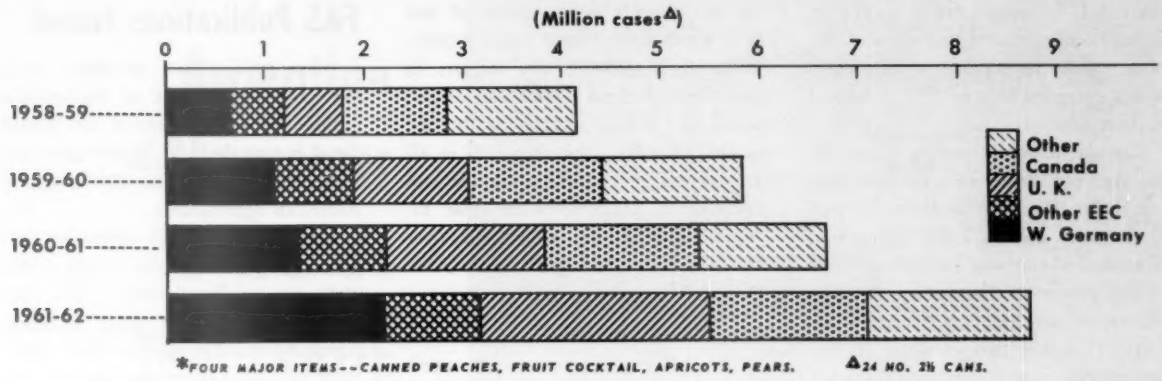
Hopes are that the Agrarian Code will set the stage for the country's future agricultural growth and development. The Panamanian Government already owns 90 percent of the Republic's land, and the Code is directed primarily toward the distribution and colonization of this state-owned land. It is not expected that the new law will immediately take over and split up large landholdings, although the law provides for this.

The Commission set up under the Code will direct the program of the reform law. It is composed of five members from government and six from private agricultural interests.

An early priority in the work of the Commission will be to carry out a nationwide land survey to establish property boundaries, assess land values for tax purposes, and provide clear titles of ownership of land. In the past, it has been difficult for farmers to obtain the essential credit for improving and developing their land without a clear title to it. Furthermore, they are naturally reluctant to invest their savings and capital in permanent improvement for fear someone else may successfully claim their lands.

The second task of the Commission is more complex. Much of the land is now being farmed on a subsistence level by squatters. To open up and develop this potentially profitable land will require new roads, additional agricultural credit, and technical assistance, plus a tremendous amount of hard work by the would-be settlers. It will also require time and efficient planning under the guidance of capable leaders, together with huge sums of operating capital, to bring the agrarian reforms into working reality.

How U. S. Exports of Canned Fruit* Have Risen in 4 Years



*FOUR MAJOR ITEMS--CANNED PEACHES, FRUIT COCKTAIL, APRICOTS, PEARS. △24 NO. 2½ CANS.

Market Access and Competitive Prices Bring Record Exports of Canned Fruit

By HARRY C. BRYAN
Fruit and Vegetable Division
Foreign Agricultural Service

The marketing year 1962-63 looks like the fourth record year in a row for U.S. exports of canned deciduous fruit. Judging by shipments during the first 7 months of the year (June-December), the 12-month total could be 2 million cases above last year's 8.7 million. Responsible for these mounting shipments are abundant and modestly priced U.S. supplies, coupled with increasing demand in Europe's recently liberalized markets.

Although only about 11 percent of our canned fruit output is sold on the export market, these shipments are all-important to the economic stability of our canned fruit industry. They are also important to our balance of trade; in fiscal 1961-62, they brought in over $69 million. They are important to world trade too; the United States is the top exporter of canned deciduous fruits, accounting for more than 40 percent of the world total.

Open markets, big demand

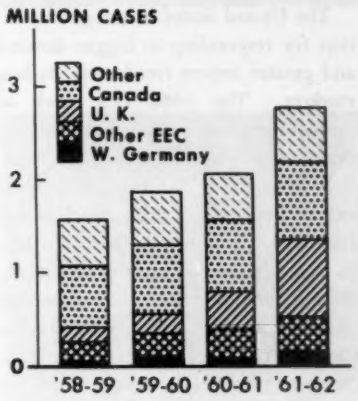
In accounting for the tremendous rise of these exports, the importance of market access can hardly be overemphasized. The countries where the rise is concentrated are the ones that have liberalized imports of our principal canned fruit items, and the big surge in U.S. exports has come since liberalization was completed.

In the Common Market—the largest foreign market for U.S. canned fruit—Western Germany is the largest individual buyer. The United Kingdom is first among all foreign buyers. Both countries has been gradually increasing their import quotas for U.S. canned fruits and their takings were rising accordingly; but in 1961-62, they freed the principal U.S. items from all nontariff barriers. Beginning July 1, 1961, Germany has permitted the entry of canned peaches and fruit cocktail free of quotas, and from August 1, 1961, the United Kingdom has done the same for all canned deciduous fruits except apples.

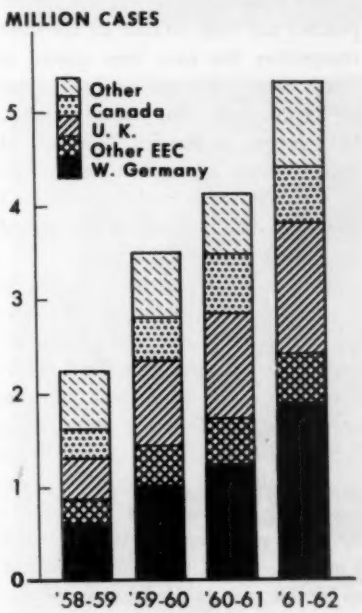
The result was that in the 1961-62 season U.S. canned fruit shipments to these two countries increased over 1.5 million cases from the preceding season, to a total of 4.5 million. Western Germany and the United Kingdom now represent market potentials of well over 2.5 million cases each.

In the 1962-63 season, the increase has continued. Western Germany took 2.3 million cases during the first 7 months of the marketing year — 100,000 more than its 2.2-million case total for all of 1961-62. The United Kingdom's takings too are running above 1961-62's and will undoubtedly exceed that year's 2.3 million cases.

U. S. Fruit Cocktail Markets



U. S. Canned Peach Markets



The only major European market that has not liberalized the importation of U.S. canned fruits is France. It has been estimated that without import restrictions France would represent a potential U.S. market of fully 2 million cases annually.

Canada, another important market, has shown a steady increase but without sharp rises such as have occurred in Germany and the United Kingdom. It accounted for over 1.6 million cases in the past marketing year. Though shipments in the first 7 months of this season are behind those in the comparable 1961-62 period, Canada's 1962-63 total is expected to be about the same as last year's.

Ample supplies, low prices

The United States is in a good position for responding to bigger demand and greater import freedom in its best markets. The 1962 U.S. pack of canned deciduous fruits is tentatively estimated at a record 85 million cases.

Production of the two outstanding export items, Clingstone peaches and fruit cocktail, is bigger than in 1961; so is production of cherries and pears, though the apricot and Freestone peach packs are smaller. Yet despite the record combined output, U.S. canners' total stocks were about the same on January 1, 1963, as on the previous January 1, because extremely attractive prices have increased both domestic and export shipments.

This season, U.S. prices for canned peaches and fruit cocktail are the most competitive that have been quoted in many years. Exports of both items reflect this fact. For canned peaches, total exports in the first 7 months of 1962-63 were 1.3 million cases ahead of the comparable period in 1961-62 and only 500,000 behind the record 5.3-million total for that year.

The Common Market remains by far our largest outlet for canned peaches, with June-December shipments already 300,000 cases over the 2.4-million-case total for the whole previous year. Western Germany, with nearly half of the marketing season still to go, has taken 2.1 million cases, compared with 1.9 million for all of 1961-62. Last year's top market, the United Kingdom, took 1.4 million cases, and so far this year its purchases are slightly ahead of those for the comparable 1961-62 period. Canada's takings so far are slightly below those of last year, which totaled some 600,000 cases.

For fruit cocktail, our exports in June-December ran well ahead of last year's, at 1.9 million cases against the record 2.8 million we exported in all 12 months of 1961-62. Canada and the United Kingdom were close together in 1961-62, each with over 800,000 cases; this year so far, the United Kingdom is ahead.

Foreign competition

Two other fruits that help to swell our total canned deciduous fruit exports are apricots and pears. But with these we run into stiffer opposition from foreign producers. This is not to say that we do not also face keen competition in clingstone peaches, particularly from Australia and South Africa. Foreign supplies of apricots and pears, however, are generally so abundant and so competitively priced as to severely restrict our exports.

Total foreign canned-fruit production, like ours, increased in 1962. The United States is still by far the world's leading producer, but the U.S. share of world production is now only slightly over 70 percent compared with 80 percent less than 10 years ago. In 1962, a smaller South African total pack was more than offset by record Australian production. In the combined South African-Australian pack, canned Cling peaches showed the largest increase, and the apricot and pear packs also exceeded the previous year's, though fruit cocktail output was virtually unchanged. The 1962 Spanish output of canned apricots was reported to be slightly lower than that of 1961, and the Italian pear pack larger.

Because the larger foreign pack of canned apricots selling at lower prices again dominates the European market, U.S. canned apricot exports in 1962-63 are expected to be lower than the 400,000 cases of 1961-62; in the first 7 months of the season they were only 100,000 cases. For canned pears, our supply is relatively large and the most competitively priced in recent years; but our exports probably will not expand this season beyond the 200,000 cases of 1961-62; other countries also have big supplies at lower prices.

Food Forum Proceedings, FAS Publications Issued

New publications available from the U.S. Department of Agriculture include the *Proceedings* of the World Food Forum, held in Washington last May to commemorate 100 years of American agriculture.

Speeches and panel discussion papers given during the 3-day event make up the Proceedings. The content is divided into three sections: Agriculture and American Life, 1862-1962, World Agricultural Trends, and Agriculture in the next 100 Years.

Of special interest are the topics under World Agricultural Trends, i.e., trends in world population, in world food production, and the world food budget. Also of interest are the discussion papers presented on the world agricultural situation as related to political and social trends, to the knowledge of science, and to changing economic patterns.

This publication is available from the World Food Forum, Office of Information, Department of Agriculture, Washington 25, D.C.

The Foreign Agricultural Service (FAS) has now released its monthly statistical report, *Supplement to Foreign Crops and Markets* (in the future this will be known as *World Agricultural Production and Trade).*

The January issue reports on the following: World crop production equals 1960-61 record; production of fats and oils expected to approximate 1962 records; U.S. wheat and flour exports down 27 percent; U.S. feed grain exports increase 44 percent; and cotton activity lower in Free World.

This supplement and the FAS Circulars below may be obtained from the U.S. Department of Agriculture, Room 5555, Washington 25, D.C.

World Pepper Crop Smaller in 1962, FAS Circular FTEA 1-63.

U.S. Pulse Imports Decline, FAS Circular FDP 1-63.

U.S. Cotton Exports by Customs Districts; Mexican Cotton Transshipments through U.S. Ports, FAS Circular FC 1-63.

U.S. Grain Exports under Government Programs 1961-62, FAS M-142.

Argentina —Newcomer To World's TEA TRADE

Argentina, Latin America's largest tea producer, may one day supply a larger portion of the world's tea. As a result of expanded tea acreage in the mid-fifties, Argentina's production and exports of tea have increased considerably in the past few years. Prior to 1954, Argentina imported most of its tea requirements but by 1961 exports totaled approximately 11,800,000 pounds while imports were almost nil.

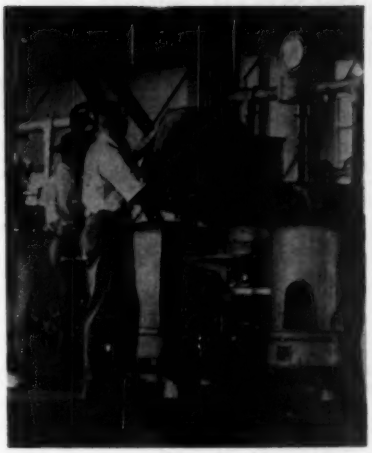
Exports to the United States increased substantially in the last year. Estimates for the first 10 months of 1962 place them at 1,150,000 pounds, an increase of 924,000 pounds over the same period in 1961. The United Kingdom and the Netherlands, however, are still the major importers of Argentine tea.

Around 1930, two Dutchmen in Argentina made successful test plantings of some tea seed they had imported, proving that Argentina's soil and climate could support a tea-raising industry. Commercial growers—following the lead of the pioneers—had planted 80,000 acres in tea by 1955-56. Foreign exchange shortages, high import duties, and wartime scarcities gave impetus to Argentine tea-raising.

Nevertheless, the future of Argentina—both as a tea producer and an exporter—is beset with problems. Specialists in tea culture who have surveyed the production area in the Province of Misiones, which accounts for 95 percent of the country's tea output, report that it would be physically possible to expand the production area many times over. Most of the soil in the Province has the proper acidity, depth, and drainage for tea culture. Temperatures seldom drop low enough to damage the crop.

Even so, total tea acreage has remained steady, about 76,000 acres, for the past 6 years due to several factors. Pests are hard to control and control is costly. More commercial fertilizer is needed. Also, more modern drying plants are needed throughout the growing area.

The tea that enters world channels from Argentina is mostly of low-to-medium quality. Foreign importers normally use it for blending with finer grades from other countries. Province and National Government technicians are helping producers to upgrade the quality of their tea, as well as to cut production costs. Several new cooperative factories, well equipped with up-to-date machinery, have recently been built.



Top, harvesters on tea farm at Campo Viera, next to one of world's largest tea mills. Right, modern machines are used to dry leaves, and packing tea for shipment to the Netherlands, country's best customer.

MARKET DEVELOPMENT
and export programs

London Trade Center's April Exhibits Spotlights Feeds, Foods and Seeds

The 4th U.S. agricultural exhibition at the London Trade Center, April 1 through 26, will feature an array of U.S. export commodities of interest to British buyers and importers. The products being promoted include feed grains, soybeans, inedible tallow, rice products, dry beans and peas, seeds, turkey roll, and prunes and raisins.

April 1 through 12. The U.S. Feed Grains Council will present the Feed Show and Conference, featuring a symposium on animal nutrition and feedstuffs. Also participating will be specialists from the Soybean Council of America, Inc., the National Renderers Association, and representatives from British universities and feed compounding companies.

Feed show's speakers and topics are:

Professor Dyer, Chairman of the Animal Husbandry Department, University of Missouri. . . . "Intensive Feeding of Beef Animals."

Dr. N. W. Kramer, Research Director of Paymaster Seed Farms, Plainview, Texas. . . . "Grain Sorghums in Livestock and Poultry Rations."

Professor A. M. Pearson, Department of Food Science, Michigan State University. . . . "Factors Influencing Quality, Flavor, and Tenderness of Meat."

April 1 through 5. The American Meat Institute will demonstrate to the British feed industry the advantages of using American inedible tallow in animal rations.

April 8 through 11. Pea and bean specialists and representatives from the USDA inspection service will discuss production and grading methods for these commodities. (The United Kingdom is now the biggest buyer of U.S. peas and beans.)

In the same period, the U.S. Rice Export Development Association will prepare U.S. rice dishes at the Trade Center's demonstration kitchen. Rice specialists will confer with key British groups in the evenings.

April 16 through 19. The California Prune Advisory Board joins the California Raisin Bureau in promoting California cookery.

On these days also, the American Seed Association will show the latest advances in garden and flower seed hybridization. Theme of the exhibit is "First the Seed—." This marks the first formal presentation of U.S. seeds in the United Kingdom by the whole seed industry.

During the week of April 21 the Institute of American Poultry Industries will demonstrate U.S. frozen cooked poultry roll to the British catering industry.

April 25 and 26. Leading nutritionists from the American Soybean Council will discuss new developments in human feeding with emphasis on the contribution of vegetable oil and soy proteins to food products.

Two California Citrus Co-ops Get "E" Award

Presidential "E" Awards for achievement in expanding U.S. exports went recently to Pure Gold, Inc., of Redlands, California, and Sunkist Growers, Inc., of Los Angeles.

Dr. Roland R. Renne, recently nominated Assistant Secretary of Agriculture for International Affairs, presented the awards to John M. Van Horn, executive vice president and general manager of Pure Gold, and F. R. Wilcox, general manager of Sunkest Growers, during the annual convention of the United Fresh Fruit and Vegetable Association in Los Angeles. Mr. Wilcox is the association head.

U.S. Nonfat Dry Milk Exports to Japan Grow

Expansion of Japan's school lunch program—already second only to that of the United States—is expected to increase the country's imports of nonfat dry milk in fiscal year 1963 by 88 million pounds over the previous year's. Most of the milk will probably come from the United States, as it has since 1954.

The budget of Japan's Ministry of Education—expected to pass the Diet as is—calls for the expenditure of $11.1 million in the upcoming year to supply milk for the program. Of this, $9.4 million will be spent for imported nonfat dry milk.

From 1954 to 1961, Japan imported approximately 355 million pounds of nonfat-dry milk from the United States under government-to-government sales. Early in 1962, another agreement was entered into under which Japan imported about 100 million pounds during the year. With this history of primary dependence upon U.S. imports, it is expected that the United States will continue to supply at concessional prices the major proportion of the nonfat milk used.

In 1962, about half of Japan's 17.4 million school-age children were supplied with low priced milk. This covered about 70 percent of all primary school children and 13 percent of junior high children.

Under the new budget, about 70 percent of all children will be supplied with milk. The present government plan is to cover all primary schools within the next 5 years and all middle schools within 10 years.

Assuming continued growth and development in the economy of Japan, this country represents one of the world's largest potential markets for nonfat dry milk. The Japanese Government is interested in an adequate diet for its people, and it is doubtful that the country's limited land resources will ever permit the country to meet its own milk needs. The demand for milk and milk products will probably continue to increase over the next decade—primarily because of the milk "habit" built up through the school lunch program.

West Germany Draws Best Promotion Efforts of Many Exporting Countries

U.S. promotional programs in West Germany are facing sharp competition in this $4-billion-a-year market for agricultural products, according to a report from the Agricultural Attache's office in Bonn. Many exporting countries are eyeing the German market and at least 10 of these now actively promote the same products as the United States — including poultry, wheat and feed grains, fruits and vegetables, and cotton.

Target of this promotion work is West Germany's 55 million customers, whose incomes and demand for agricultural products are rapidly rising. Natural conditions severely limit the volume and variety of West Germany's own farm production, and much of the country's available labor force is employed by industry.

After the United States, the Canadian Government spends the most for market development in West Germany. Its promotional activities stress personal contacts by key Canadian officials with the German Government and importers, largely through trade missions to and from Canada. Like American wheat growers, the Canadians have found that in promoting their chief export—wheat—there is no substitute for face-to-face talks between traders and millers on grades and baking characteristics that determine whether the buyer uses a certain wheat.

At a recent West Germany international trade fair, a popular feature was Canada's exhibit of a huge mound of wheat along with model elevators and railroad facilities used in grain transport. Promotion of canned fruits and vegetables, another focal point of the Canadian effort, will probably be stepped up this year.

Denmark has been promoting butter, eggs, and cheese in West Germany for years, and recently had launched a more active campaign for broilers, apparently in anticipation of Denmark's possible entry into the Common Market.

Teams of demonstrators from the Danish Information Center at Dusseldorf instruct West German retail establishments in the use and preparation of Danish poultry—a low-cost market development technique that yielded good results last year, according to Danish officials.

Australia's promotional operations center around an annual campaign between April and July that advertises fresh Australian apples through news and trade publications and color posters placed in retail stores. The seasonal promotion is planned in cooperation with a trade committee from Australian apple importing and distributing firms around Hamburg.

Future promotional efforts of Australia will be directed toward canned goods. Although EEC arrangements could seriously reduce sales of Australian wheat to West Germany, no plans for a reorientation of promotional programs have been announced.

These are only a partial list of the exporting countries trying to gain a larger share of the West German market. In addition, the Netherlands extensively promotes poultry and the French are taking steps to increase their poultry promotion efforts. Israel, Spain, Morocco, and Italy are among the countries promoting citrus fruit. Egypt is keenly interested in advancing cotton sales to Germany, and the Sudanese already have plans to promote long staple cotton.

Markets To Watch

Spain's Soap Industry Helps Spark $5-Million Market for U.S. Tallow

Spain will soon become the second largest buyer of U.S. tallow and greases in Western Europe providing there is no radical change in the country's favorable balance of payments situation and import policies.

The uptrend in Spanish tallow imports began in 1959 when the Government for the first time liberalized tallow imports. (Tallow purchases are made by private firms rather than by the National Supply Commission, a governmental agency controlling most meat products entering Spain.) From 9.8 million pounds that year, imports of U.S. tallow and grease mounted to 46 million in 1960, 75 million in 1961, and 92 million last year. The value of U.S. tallow imported by Spain now tops $5 million.

Much of the imported tallow is used for making good quality toilet soaps by Spain's expanding soap industry. Previously, Spain depended heavily on soap imports, mainly from France. The increasing soap consumption which originally spurred the country's soap industry is expected to continue for some years as per capita income climbs. Spain's tourist trade—8 to 10 million tourists each year—also contributes greatly to soap utilization.

Spain's modern poultry and livestock industries are using more and more tallow in mixed feeds. Other outlets are being developed, including tallow in lubricants, candles, sulphonated greases, and adhesive products.

Another factor in the increased U.S. exports to Spain was the building of tank storage facilities by private firms in Barcelona and Bilboa, enabling the United States to ship in bulk loads at a saving of as much as 50 percent over deliveries in steel drums.

Competition for the Spanish market comes mainly from France, Australia, Uruguay, and Denmark. The United States is in a good position to compete for a larger share of this market, since U.S. tallow compares favorably in price and quality and about 50 percent of U.S. domestic production is available for export. Because Spain is a member of GATT, no increase in the tariff on inedible tallow—now relatively low at 1.5 percent — is likely without further negotiations.

U.S. Exports of Variety Meats Rise

Strong demand from West Germany, the United Kingdom, the Netherlands, and France combined with improved marketing methods last year resulted in a continued increase in exports of variety meats from the United States.

Total 1962 exports increased by 1.2 million pounds over those of 1961. Exports to the EEC countries increased 6.7 percent over 1961. France increased its imports of U.S. variety meats 27.5 percent over 1961 imports.

U.S. EXPORTS OF VARIETY MEATS

Country	Average 1956-60	1961	1962
	Mil. lb.	*Mil. lb.*	*Mil. lb.*
Belgium-Luxembourg	1.3	1.8	2.6
France	5.0	13.1	16.7
Germany, West	30.2	34.5	34.6
Italy	(1)	.8	.1
Netherlands	33.6	27.7	29.1
Total EEC	70.1	77.9	83.1
United Kingdom	10.5	32.5	31.7
Canada	3.8	2.3	1.7
Mexico	2.5	2.6	1.7
Sweden	3.0	3.0	2.0
Hong Kong	2.0	2.7	2.0
Others	2.6	2.9	2.9
Total	94.5	123.9	125.1

[1] Less than 500,000 pounds.
U.S. Department of Commerce.

Dominican Republic Plans Another Meat Plant

The current economic development program in the Dominician Republic anticipates modernization of the meat packing plant at Santo Domingo and the construction of a new plant at Higuey.

Under this program, the Republic could become a new source for beef imports by the Continental United States and Puerto Rico.

Private and government capital will be used to modernize the Santo Domingo plant, which is owned jointly by private investors and the Dominican Government. To establish the plant in Higuey and to arrange for marketing its products overseas, a cooperative is being organized. These new facilities will double meat production in that area.

To encourage supplies, the Dominican Government expects to increase the current 11 to 14-cents per pound ceiling prices on cattle by about 30 percent.

New Zealand Meat Shipments to the U.S.

Six ships are scheduled to leave New Zealand during March and April with 21,168,000 pounds of meat for the United States—17,136,000 pounds for the East Coast and 4,032,000 pounds of New Zealand meat imports for the West Coast.

U.S. IMPORTS OF MEAT FROM NEW ZEALAND

Ship	Sailing date	Destination	Quantity
			1,000 pounds
Paparoa	Mar. 20	East Coast	7,840
Delphic	Mar. 30	do.	8,736
Tyrone	Apr. 3	do.	560
Oriana	Mar. 13	West Coast	224
Mariposa	Mar. 15	do.	448
Crusader	Mar. 30	do.	3,360

Mohair Exports Off 7 Percent in 1962

U.S. mohair exports totaled 12.5 million pounds in 1962, down 7 percent from each of the last 2 years, and off nearly a third from the record 18.6 million exported in 1959.

Although buying 40 percent less than in 1959, the United Kingdom remained the leading market for U.S. mohair and took over half the total exports.

Europe's Common Market, also an important outlet for U.S. mohair, took over 4 million pounds in 1962. Each member country took more in 1962 than in the previous year.

Japan, also a leading buyer in recent years, took less than half as much U.S. mohair in 1962 as in the previous year. A textile recession coupled with changing fashions led to the sharp drop in purchases.

U.S. EXPORTS OF MOHAIR
(Clean content basis)

Destination	Average 1956-60	1961	1962 [2]	Increase (+) or decrease (−) 1962
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
United Kingdom	8,235	7,246	6,463	−783
Netherlands	2,682	1,765	1,926	+161
Belgium	1,044	1,167	1,418	+251
Italy	243	379	1,003	+624
Japan	463	2,088	968	+1,120
Switzerland	104	209	372	+163
Germany, West	224	138	151	+13
Canada	202	323	79	−244
Other	225	208	160	−48
Total	13,422	13,523	12,540	+983

[1] Includes other wool-like specialty hair. [2] Preliminary.
Bureau of the Census.

West German Cattle Nearly Free of TB

West German cattle are now practically free of tuberculosis. The T.B. eradication program, started in 1952 with 40 percent of all cattle infected, has been 99.8 percent effective. It had been estimated that 40 years would be required to eliminate the disease.

The German Government contributed $755 million to the eradication program. It is estimated that the success of this program will produce annual savings of $68 million. Livestock production will also increase as a result of the elimination of tuberculosis.

Australian Meat Moves to the U.S.

Three ships left Australia during the last week of January and the first week of February with 5,848,640 pounds of beef, 2,649,920 pounds of mutton and 208,320 pounds of lamb for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
Eastern and Gulf ports				
Charlotte..... Jan. 30	Charleston	Mar. 6	Beef	383,040
			Mutton	100,800
	Philadelphia	Mar. 8	Beef	53,760
			Mutton	67,200
	New York	Mar. 10	Beef	506,240
			Mutton	575,680
	Boston	Mar. 12	Mutton	100,800
Pearl Sea..... Jan. 30	New Orleans	Feb. 26	Beef	790,720
			Mutton	67,200
		Mar. 4	Beef	306,880
			Mutton	235,200
		Mar. 9	Beef	2,770,880
			Mutton	1,131,200
	Boston	Mar. 16	Beef	512,960
			Mutton	217,280
Western ports				
Mariposa..... Feb. 4	San Francisco	Feb. 21	Beef	168,000
			Mutton	154,560
			Lamb	11,200
	Los Angeles	Feb. 25	Beef	356,160
			Lamb	53,760

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market area, but meat may be diverted to other areas for sale.

New Zealand's 1963 Tobacco Harvest Down

The 1963 tobacco harvest in New Zealand is tentatively estimated at 9 million pounds—slightly under the revised 1962 record harvest of 9.3 million pounds. However, planted acreage continued to rise and is reported to be about 6 percent greater than the 4,699 acres planted last season.

The indicated average yield of 1,800 pounds per acre did not equal the 1962 record of 1,981 pounds per acre but compared favorably with the 1,629 pounds for 1961 and the 1,887 pounds in 1960. The record 1962 yield was the result of improvements in farming techniques, benefits derived from scientific research at the Tobacco Research Station and the Cawthron Institute, and the assistance given the growers by the field officers of the tobacco manufacturing companies.

About 97 percent of the crop is flue-cured, with most of the remainder burley. As previously reported, manufacturers have voluntarily undertaken to contract an additional 375 acres in each of the three seasons 1961-62, 1962-63, and 1963-64. The increase in acreage during the 1961-62 season was 548 acres. The increase for the current season is forecast at about 300 acres and is in line with the policy of the New Zealand Tobacco Board to strive for self-sufficiency. Surpluses will be exported and an initial shipment of 220,000 pounds was shipped to the United Kingdom during 1962.

Local manufacturers reportedly are showing less hesitancy to increase the percentage of domestic leaf they use. During the 12 month period ending July 31, 1962, manufacturers actually used 44 percent domestic leaf, compared with 39 percent for the previous year. Manufacturers are required to use a minimum of 30 percent but have voluntarily agreed to use 37 percent in 1962-63 and 38 percent in 1963-64. It is highly probable that actual usage of domestic leaf in each of these years will again be substantially larger than the minimum to which manufacturers voluntarily agreed.

U.S. Flue-Cured Tobacco Exports Drop

U.S. exports of flue-cured tobacco totaled about 377 million pounds (export weight) in 1962—a drop of 6.4 percent from the 403 million exported in 1961. The drop reflects the larger-than-normal quantity of low-quality leaf in the 1962 crop. During the period July-December 1962, total exports of flue-cured were only 242.2 million pounds —a drop of 16 percent from the 289.1 million exported in July-December 1961.

Although exports to a number of important foreign markets rose last year, sharp declines in exports to other markets more than offset those gains.

Exports to the United Kingdom were the smallest since 1952 and totaled only 90 million pounds in contrast with 146.5 million in 1961. Other countries which reduced their takings were Belgium, Japan, Denmark, Sweden, New Zealand, Thailand, and Hong Kong.

Shipments to West Germany rose from 64 million pounds in 1961 to 65.8 million in 1962. Exports to Australia totaled 21.6 million pounds, against only 11.5 million in 1961; Ireland took 21.2 million, compared with 13.5 million for the previous year. Shipments to the Netherlands rose to 19.4 million pounds from 14.8 million in 1961. Other countries taking more U.S. flue-cured last year included Italy, Egypt, Norway, Malaya, and Portugal.

Shipments to the six Common Market countries totaled 115 million pounds, compared with 101 million in 1961.

U.S. EXPORTS OF FLUE-CURED TOBACCO
(Export weight)

Destination	1961	1962 [1]	Percent change 1962 from 1961
	1,000 pounds	*1,000 pounds*	*Percent*
United Kingdom	146,470	90,040	− 38.5
Germany, West	64,015	65,806	+ 2.8
Japan	24,432	24,071	− 1.5
Australia	11,538	21,565	+ 86.9
Ireland	13,455	21,197	+ 57.5
Netherlands	14,833	19,448	+ 31.1
Italy	6,666	14,528	+117.9
Belgium	14,272	13,136	− 8.0
Denmark	12,010	10,984	− 8.5
Egypt	1,312	10,216	—
Sweden	10,809	7,402	− 31.5
Thailand	13,196	7,247	− 45.1
Finland	6,794	6,638	− 2.3
Norway	4,502	5,589	+ 24.1
Hong Kong	5,813	5,093	− 12.4
Malaya	4,218	4,538	+ 7.6
New Zealand	5,724	4,387	− 23.4
Portugal	2,387	4,139	+ 73.4
Other	40,323	40,897	+ 1.4
Total	402,769	376,921	− 6.4

[1] Preliminary.
Bureau of the Census.

Colombia's 1963 Tobacco Crop Up

Colombia's 1963 tobacco harvest is tentatively placed at 86.8 million pounds—or about 3.5 percent greater than the 1962 harvest of 83.8 million. The increase is attributed to larger plantings in Magdalena and Bolivar Departments where most of the export tobacco is grown. Favorable growing conditions and technical assistance offered to growers by the Tobacco Institute are additional reasons for a larger harvest.

Production of cigar leaf is forecast at 13.4 million pounds, slightly more than the 1962 harvest of 13.2 million. The harvest of the dark air-cured types, exclusive of cigar types, is estimated at 72 million pounds, compared with 70 million last season. Plantings of light cigarette types, Virginia and burley, are forecast at about 1,100 acres—up substantially from the 494 acres last year. Harvest of Virginia (flue-cured) is forecast at 550,000 pounds, compared with the 1962 harvest of 275,000 pounds. The burley harvest is expected to total about 660,000 pounds, compared with about 275,000 a year ago.

Argentina Expects Smaller Flue-Cured Harvest

Tentative estimates place the 1963 Argentine flue-cured harvest at 19.8 million pounds, compared with 25 million in 1962 and 29.5 million for 1961. The decline is attributed to reduced plantings, but the premature flowering of the 1963 crop indicates a reduction in yields. Production of other kinds of leaf tobacco is expected to be up slightly from last season.

The total tobacco harvest is forecast at 79.3 million pounds, or the same as last season. Planted acreage is about 7 percent greater than the 107,700 acres planted last year but about 5 percent under the 1961 high of 121,300 acres. Increased plantings in the Corrientes and Misiones Provinces more than offset reductions in Salta and Jujuy—the principal Argentine areas that produce flue-cured tobacco.

French Cigarette Output Up

The French Tobacco Monopoly produced 79.4 million pounds of cigarettes during the first 9 months of 1962. This figure was 6.4 percent greater than the 74.6 million pounds produced in January-September 1961. Production of cut tobacco amounted to 29.0 million pounds, compared with the January-September 1961 level of 29.7 million pounds of cut tobacco.

Largest French Prune Pack Since 1930

The 1962 commercial dried prune pack in France is now estimated at 14,500 short tons by the French industry. This is more than double the 1961 pack of 7,200 tons and the 5-year average (1955-59) of 7,000 tons. Only once in the last 40 years has France produced a larger dried prune pack—17,000 tons in 1930. The French Ministry of Agriculture estimates the total 1962 dried prune production at 16,500 tons.

The large crop resulted from the production of new plantings combined with favorable weather. Additional intake from new plantings will continue for the next few years. According to some estimates, production by 1970 may average about 20,000 tons of dried prunes, a sharp increase over 1962 tonnage.

The consequences of the large 1962 pack will be: sharply reduced imports, sharply increased exports, and expanded consumption within France for the 1962-63 season. Prices of processed prunes are already well below those of a year ago.

FRENCH DRIED PRUNE SUPPLY AND DISTRIBUTION

Item	1961	Forecast 1962
	Short tons	*Short tons*
Beginning stocks, August 1	400	200
Production	7,200	14,500
Imports	5,800	2,800
Total supply	13,400	17,500
Exports	1,200	2,500
Domestic disappearance	12,000	14,000
Ending stocks, July 31	200	1,000
Total distribution	13,400	17,200

France imported nearly 2,400 tons, practically all from United States, early this season.

FRANCE'S FOREIGN TRADE IN DRIED PRUNES

Country	August-December 1961	1962
Imports:	*Short tons*	*Short tons*
United States	2,052	2,378
Yugoslavia	35	11
Portugal	26	0
Others	22	4
Total	2,135	2,393
Exports:		
Algeria	132	292
Netherlands	149	107
Germany, West	128	0
United States	0	38
Others	58	46
Total	467	483

These imports served both to meet local processing requirements until the 1962 French crop was ready and to supply larger sizes, for which there is a strong demand in France. For the balance of the 1962-63 season, imports are expected to be small and will probably consist mostly of larger sizes from the United States.

Part of the expanded French consumption is expected to be in the form of preserves and various confections containing small-size prunes. The Paris office of the "Club du Pruneau d'Agen" is publicizing the healthfulness, palatability and versatility of prunes.

Early February stocks in France were reportedly about 4,000 tons.

French prices for processed prunes, f.o.b. producing areas, are as much as 10 cents per pound below those of a year ago but are still substantially higher than U.S. and Yugoslav prune prices. The following table shows the f.o.b. prices per pound for February 1963 as compared to February 1962 in these areas.

Sizes [1]	FOB price per pound		
	French producing area	California producing area	Yugoslav port
February 1963:	*U.S. cents*	*U.S. cents*	*U.S. cents*
30/40	37.5	22.0	—
40/50	32.4	20.5	—
50/60	29.2	19.0	—
60/70	26.4	18.0	—
70/80	23.6	17.2	16.2
80/90	20.4	16.0	14.4
90/100	17.1	15.0	12.0
February 1962:			
30/40	—	24.0	—
40/50	42.2	23.0	—
50/60	38.4	22.0	—
60/70	33.8	21.5	17.4
70/80	30.1	21.2	15.6
80/90	23.0	—	13.8
90/100	20.0	—	11.5

[1] Number of fruits per 500 grams for French and Yugoslav prunes and per 454 grams for California prunes.

U.S. Imports of Canned Mushrooms Set Record

The final tally for the calendar year 1962 indicates a new high in the imports of canned mushrooms into the United States. The 1962 total, 10.2 million pounds, was over twice as large as a year earlier and five times larger than only 5 years ago.

Taiwan, a relatively new producer of mushrooms, accounted for 6.4 million pounds or about 63 percent of total U.S. imports in 1962. Taiwan's contribution was nearly 9½ times larger than in 1961, the first year it sold on the U.S. market.

Japan and France are the other major suppliers. In 1962, Japan's exports increased for the fifth consecutive year. That country ranked second, and contributed 2.3 million pounds or 22 percent of the total.

Five years ago, France accounted for almost 92 percent of total U.S. canned mushroom imports. In 1962, however, it represented only 13 percent of the total or 1.4 million pounds as compared to 1.9 million pounds in 1957.

Irish to Expand Fruit, Vegetable Processing

The Sugar Company, a beet-sugar and food-processing company operated by the Irish Government, is planning to increase its production of canned, dried, frozen, and frozen-dried fruits and vegetables. The government has recently increased the capital of the company from £2 million ($5,640,000) to £5 million ($14,100,100).

The Irish hope to be able to develop the export of these items to the Common Market and other countries.

Ireland Extends Apple Licensing Period

The Irish Department of Agriculture has extended the apple import licensing period to July 7, 1963. An earlier announcement had set February 28, 1963 as the terminating date for issuance of license.

Nigerian Peanut Purchases at New High

Peanut purchases by the Northern Nigerian Marketing Board from Nigeria's 1962 peanut crop may approximate a record 850,000 long tons of shelled nuts, almost all of which will be sold on world markets in the form of peanuts, peanut oil, and peanut meal. This quantity of peanuts would be 50,000 tons larger than the previous estimate of purchases (*Foreign Agriculture,* January 28, 1963) and almost one-fifth larger than the previous record of 714,802 tons purchased from the 1957 crop.

Purchases to January 24, the 12th week of the buying season, totaled 779,235 tons against 609,897 in the comparable period last year.

France and Senegal Sign Peanut Agreement

France has recently agreed to buy the equivalent of 215,000 metric tons of unrefined peanut oil (one-half in the form of shelled peanuts) from Senegal's 1962-63 peanut crop. This is slightly less than the quantity France agreed to take from the 1961-62 crop.

The price has been fixed at 1.05 N.F. per kilo (9.7 cents per pound) of shelled peanuts CFA French Port, which is about 20 percent above the world market price and the same as last year's guaranteed price.

After allowing for domestic consumption as seed, nuts, and oil, and for exports of oil, an estimated 50,000 tons of unshelled peanuts will remain to be marketed.

The agreement contained a major modification regarding the remainder of the crop. Previously, France agreed not to purchase peanuts outside the franc zone so long as any portion of the Senegalese crop had not been sold. This no longer applies. After the 215,000 tons agreed upon have been reached, France is free to purchase on the world market wherever it desires.

Aside from the loss of the Algerian market and the increased production of sunflower seed oil in France, the Senegal peanut reduction is in keeping with the plan to gradually reduce preferential trading and marketing agreements between the metropole and the newly associated states of the Common Market. Beginning in 1964 France will progressively reduce the peanut subsidy by 20 percent a year. To help ease the transition Senegal will receive 46.7 million dollars over a five year period under the recently signed association convention in Brussels expressly earmarked for diversification of its economy.

Despite the fact that Senegal must find additional markets, the purchase prices of peanuts to Senegalese growers for the 1962-63 season will remain the same as last year—from 17 to 22 CFA francs per kilo unshelled (3.1 to 4.1 cents per pound) depending on the place of purchase. It may not be possible to maintain this price level when the entire crop must be sold at world market prices.

During the recent past, favorable fixed prices have encouraged many Senegalese farmers to forfeit the production of subsistence crops such as millet and sorghum in favor of peanuts, which brought a larger return. In Senegal, a predominantly agricultural country, this has resulted in having approximately one-third of its total imports come in as foodstuffs. Now that the end of French subsidies is near, it remains to be seen whether Senegal can, within the 5-year period of grace, adapt to world market conditions.

West Germany's Oilseed Imports Increase

Imports of oil-bearing materials into West Germany in 1962 increased greatly from those of 1960 and 1961 while imports of fats and oils, as such, declined.

The major portion of the rise in imports of oil-bearing materials came from increased imports of soybeans, peanuts and cottonseed. However, this rise was partly offset by reduced imports of copra and palm kernels.

Cottonseed and soybean oils constituted the major part of the decline in imports of fats and oils. This decline was reduced somewhat by increased imports of sunflower seed oil, palm and palm kernel oils, as well as butter and tallow.

WEST GERMAN IMPORTS OF SELECTED FATS, OILS, AND OIL-BEARING MATERIALS

Item	1960	1961	1962
	Metric tons	*Metric tons*	*Metric tons*
Cottonseed	——	956	23,296
Peanuts [1]	56,555	80,909	108,543
Soybeans	998,135	906,838	1,067,614
Sunflower seed	22,354	22,941	20,634
Rapeseed	1,688	24,891	31,197
Copra	249,804	269,230	232,646
Palm kernels	155,010	127,782	124,091
Flaxseed	8,630	10,112	11,576
Castor beans	28,310	22,480	26,678
Total	1,520,486	1,466,139	1,646,275
Cottonseed oil	103,193	73,625	44,582
Peanut oil	27,581	18,619	28,513
Soybean oil	36,401	11,632	1,593
Sunflower seed oil	21,338	41,022	44,377
Coconut oil	40,104	36,687	33,410
Palm kernel oil	13,710	11,166	16,326
Palm oil	72,620	77,739	78,988
Linseed oil	93,354	81,664	80,405
Butter (82%)	20,112	23,019	30,166
Lard	24,130	23,007	22,326
Tallow	44,439	64,745	63,585
Whale and sperm oil	79,610	66,905	59,044
Fish oil [2]	65,098	63,379	64,816
Total	641,690	593,209	568,131

[1] Shelled basis.
[2] Excludes liver oil.
Compiled from official sources.

Philippine Desiccated Coconut Exports Up

Exports of desiccated coconut from the Philippine Republic in January amounted to 3,946 short tons as compared with 1962 January exports of 2,949 tons. Shipments to the United States totaled 3,460 tons in January as against 2,607 tons in January 1962.

Colombia's 1962 Coffee Exports High

Colombia had its second highest coffee export year in 1962. Recorded exports totaled 6,580,220 bags (132,276 lb.), which was up 487,844 bags or 11 percent from 1961. The record export year was 1953 when 6.6 million bags were shipped.

The United States continued to be Colombia's principal coffee export market in 1962, taking about 66 percent of all shipments. Exports to Europe have increased in recent years, and the U.S. share of Colombia's exports has declined. Carryover coffee stocks in Colombia are presently held almost entirely by the Coffee Federation.

Mexico Diversifies Coffee Acreage

The diversification program of the Mexican Coffee Institute is continuing to show progress. The total goal is reduction of coffee plantings from 750,000 acres to 600,000 in 5 years or longer. The program, operated in cooperation with other governmental agencies, gives credit to coffee farmers for converting their low-producing coffee lands to other crops.

The principal crops being planted to replace coffee are rubber, avocado, mango, citrus. At the end of 1962, 35,000 acres of low-producing coffee plantations had been converted to these other crops. Rubber is now planted on 6,250 acres, with 50,000 acres set as the goal.

Two Caribbean Nations Restrict Poultry Stock

Two neighboring Caribbean countries have recently issued restrictions against the importation of poultry for breeding purposes. The two actions were opposite in nature. Jamaica banned baby chick imports, while permitting licensed imports of mature stock. The Dominican Republic is refusing entry to mature stock while permitting free entry of baby chicks.

The Jamaican Ministry of Trade and Industry announced this decision because it now feels that there is adequate plant capacity and technical knowledge in Jamaica to satisfy the island's requirements for baby chicks. The Dominican Republic said its action was taken to prevent the possible introduction of numerous infectious-contagious diseases affecting the more developed birds.

Dutch Milk and Dairy Production Rise

Preliminary estimates indicate that milk production in the Netherlands in 1962 was 16 billion pounds, an increase of 4 percent over 1961. The larger production resulted in more milk being delivered to dairies for the manufacture of dairy products.

Butter production for the year is expected to be up 5 percent to 224 million pounds. This is attributed not only to the greater availability of milk for manufacturing, but also to a slight improvement in export prospects.

Output of cheese reportedly reached a new record of 492 million pounds, compared with 463 million in 1961. Since sales did not increase in proportion to this record production, however, stocks accumulated in spite of cheese export subsidies. Consequently, deliveries to the Government Purchasing and Selling Bureau were a record 37 million pounds in 1962, of which 22 million were reported to be Gouda, and 15 million Cheddar cheese. Cheddar is made primarily for export to West Germany and the United Kingdom, and is not available on the domestic market. The Production Board for Dairy, anticipating difficulty in marketing these stocks, is now developing plans to limit cheese production.

Encouraged by increased exports through the use of high export subsidies, dry whole milk production rose 24 percent to 112 million pounds. Dutch whole dry milk re-

portedly regained the position it held on foreign markets prior to 1961.

An increase of 4 percent in nonfat dry milk output, to 142 million pounds, is forecast for 1962, and more will be used for animal feed.

Total canned milk production is expected to reach 959 million pounds compared with 900 million pounds a year earlier. Heavier production of evaporated milk accounted for most of the increase.

India Allows More Cotton Exports

On February 12, India announced a cotton export quota totaling 100,000 bales of 400 pounds gross (equivalent to 81,000 bales of 500 pounds gross) for shipment between February 18 and August 31. This allocation is made up of 75,000 bales of Bengal Desi and 25,000 other cotton stapling less than ¾-inch, Indian qualities in surplus supply.

Licenses will be issued on a first-come-first-served basis to any firm that has exported Indian cotton during the past 5 years, with not more than 5 percent going to any one shipper. Twenty percent of the total is reserved for cooperatives located in producing areas. This is the second export allocation in the current season, and brings the season total to 300,000 bales of 400 pounds gross (about 244,000 bales of 500 pounds gross).

Cotton Linters Exports Up This Season

U.S. exports of cotton linters, mostly chemical qualities, totaled 106,000 running bales during the first 5 months (August-December) of the 1962 season. This is a rise of 4 percent from the 102,000 bales exported in the same months a year earlier. Exports in December amounted to 24,000 bales, compared with 26,000 bales in November and 24,000 the previous December.

Quantities exported to principal destinations during August-December 1962, with comparable 1961 figures in parentheses, were: West Germany 60,000 bales (49,000); Japan 23,000 (18,000); the United Kingdom 8,000 (23,000); Canada 7,000 (7,000); the Netherlands 6,000 (0); and France 1,000 (4,000).

Egyptian Cotton Crop Estimate Reduced

Egypt's 1962-63 cotton crop is now placed at 2,089,000 bales (500 pounds gross weight) according to the third official estimate. This figure, 119,000 bales less than the second estimate, is 37 percent above the 1961-62 crop of 1,542,000 bales and 7 percent above average production of 1,949,000 for the previous 5 crop years. This season's larger crop may be attributed to high yields, in contrast with 1961-62 when yields were cut sharply by insect damage. Much of the increase was derived from extra long staple cotton, which rose to 1,050,000 bales, up 65 percent from the 1961-62 output.

The current crop is being grown on 1,720,000 acres, 17 percent less area than the 2,062,000 acres devoted to the 1961-62 crop.

EGYPTIAN COTTON PRODUCTION BY STAPLE LENGTH AND VARIETY

Staple length and principal varieties	1961-62	1962-63	Percentage change
	1,000 bales [1]	*1,000 bales* [1]	*Percent*
Extra-long staple, over 1⅜":			
Karnak, Menoufi, Giza 45	636	1,050	+65
Medium-long staple, over 1¼":			
Giza 30, 31, and 47	381	469	+23
Long staple, over 1⅛":			
Ashmouni	488	539	+10
Subtotal	1,505	2,058	+37
Scarto (unclassified cotton)	37	31	−16
Total	1,542	2,089	+35

[1] Bales of 500 pounds gross. Source: Government of Egypt.

U.S. Wheat and Flour Exports Down

U.S. wheat and flour exports during the first half of 1962-63 totaled 277 million bushels, compared with 367 million a year earlier.

Wheat exports at 231 million bushels were approximately 28 percent below last season. Flour exports at 46.3 million bushels equivalent were slightly below the 47.6 million bushels equivalent during the first half of 1961-62.

A table showing exports to principal countries and a detailed story will appear in the February *World Agricultural Production and Trade—Statistical Report.*

France Makes Cereals Appraisal

In France the Central Committee of O.N.I.C. (the National Cereals Office) has made a preliminary estimate of the winter damage to its soft wheat, durum wheat, and barley. The severe 1962-63 winter destroyed approximately two million acres of soft wheat, some 27,000 acres of durum wheat and practically all of the barley that had been seeded. However, it appears that the damage is less than that which occurred in 1956.

Difficulties in obtaining adequate seed wheat of good quality may result in heavy reseeding in barley.

Although the Committee has been discouraged by the small sales of wheat to the Common Market, it expressed satisfaction with the amounts of barley to this market.

U.S. Feed Grain Exports Continue High

U.S. feed grain exports totaled 7.4 million metric tons for July-December 1962, compared with 5.4 million for the corresponding period of the previous year.

Corn, totaling 4.9 million tons accounted for 52 percent of the total feed grain exported, and most of the overall feed grain export increase. Western Europe, with its booming livestock industry, was the major market.

These data will be shown in detail in a table to be published in the February issue of *World Agricultural Production and Trade—Statistical Report.*

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15 Cotton Linters Exports Up This Season
15 Egyptian Cotton Crop Estimate Reduced

Dairy and Poultry Products

8 U.S. Nonfat Dry Milk Exports to Japan Grow
14 Two Caribbean Nations Restrict Poultry Stock
14 Dutch Milk and Dairy Production Rise

Fats, Oilseeds, and Oils

9 Spain's Soap Industry
13 Nigerian Peanut Purchases at New High
13 France and Senegal Sign Peanut Agreement
14 West Germany's Oilseed Imports Increase
14 Philippine Desiccated Coconut Exports Up

Fruits, Vegetables, and Nuts

5 Market Access and Competitive Prices Bring Record Exports of Canned Fruit
8 Two California Citrus Co-ops Get "E" Award
12 Largest French Prune Pack Since 1930
13 U.S. Imports of Canned Mushrooms Set Record
13 Irish To Expand Fruit, Vegetable Processing
13 Ireland Extends Apple Licensing Period

Grains, Feeds, Pulses, and Seeds

8 London Trade Center's April Exhibit Spotlights Feeds, Food, and Seeds
15 U.S. Wheat and Flour Exports Down
15 France Makes Cereals Appraisal
15 U.S. Feed Grain Exports Continue High

Livestock and Meat Products

10 U.S. Exports of Variety Meats Rise
10 Dominican Republic Plans Another Meat Plant
10 New Zealand Meat Shipments to the U.S.
10 Mohair Exports Off 7 Percent in 1962
10 West German Cattle Nearly Free of TB
11 Australian Meat Moves to the U.S.

Sugar, Fibers, and Tropical Products

3 South Africa's Booming Sugar Business
7 Argentina—Newcomer to World's Tea Trade
14 Colombia's 1962 Coffee Exports High
14 Mexico Diversifies Coffee Acreage

Tobacco

11 New Zealand's 1963 Tobacco Harvest Down
11 U.S. Flue-Cured Tobacco Exports Drop
12 French Cigarette Output Up
12 Colombia's 1963 Tobacco Crop Up
12 Argentina Expects Smaller Flue-Cured Harvest